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RUEHCV/AMEMBASSY CARACAS 3307
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RUEHMN/AMEMBASSY MONTEVIDEO 5243
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RUEHSG/AMEMBASSY SANTIAGO 0553
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C O N F I D E N T I A L LA PAZ 000329

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TAGS: PGOV PREL ECON BL

SUBJECT: GOB RESPINS ANTI-U.S. ALLEGATIONS

REF: A. LA PAZ 303
IB. LA PAZ 304
IC. LA PAZ 218

Classified By: EcoPol Chief Mike Hammer for reasons 1.4 (b) and (d)

11. (C) Summary: The Bolivian government attempted to renew and, in some cases, repackage old allegations against the U.S. February 16-18. Bolivian President Evo Morales threatened to show USAID the door if it continues undermining his administration. As proof, Morales provided the example of a political organization that was allegedly turned down for USAID assistance due to its pro-Morales stance. He also cited unnamed groups that were asked to work against the government as a condition for assistance. Morales also argued against a free trade agreement with the U.S. and charged the U.S. of involvement in the disappearances of Bolivians during drug-related conflicts in the region of Chapare. Morales' assertion that pro-government groups were prepared to take up arms to defend his agenda were rebuffed by a wide-range of social and labor groups. Government Minister Alfredo Rada continues to accuse the U.S. of involvement in a police "spying" scandal to deflect from his role in the unauthorized surveillance of opposition politicians and reporters. The Bolivian government's refusal to sign a cooperation agreement concerning U.S. military aid and the impact of that refusal on disaster assistance was made public February 18. Foreign Minister David Choquehuanca explained the government did not want to sign an agreement "with its eyes closed" and was only reviewing the agreement. Despite public assurances that they want better relations with the U.S., the relentless public spinning of the Bolivian government's complaints against the U.S. at the expense of diplomatic channels suggest the BOG has another agenda: discredit the U.S. and distract the Bolivian public. End Summary.

Lights, Camera, Allegations

12. (U) Bolivian President Evo Morales made several references to ongoing "political problems" with the U.S. February 15, although he clarified diplomatic and commercial relations would be maintained. Morales rehashed the argument that

USAID is supporting opposition groups and that the U.S. Embassy is "making politics" at the expense of diplomatic work, such as advancing commercial ties. Morales asserted during recent months USAID has been convoking groups through implementing NGOs and offering them money with the stipulation that they work "against the Bolivian government." Morales claimed leaders from the Federation of Aylus (indigenous local government units) of Potosi told him an USAID-supported NGO denied their group's request for \$20,000 because the organization "supports Evo Morales." Morales urged citizens to report NGOs that are "bought by USAID to distribute funds to make politics against the government." He added, "The government will not allow NGOs to work against the executive power. Faced with these provocations from USAID, we will ask them to go home." Morales saluted U.S. citizens that are denouncing both USAID and the Embassy for practicing "politics," but offered no details on who he was referring to.

¶3. (U) Although most of his criticisms were resrun from old charges, Morales added a new spin on some existing allegations. Morales asserted Embassy Bolivian police guards act "like embassy workers ... at the side of the U.S. government." Morales claimed he learned of this "strange" police arrangement through Fulbrighter van Schaick, who accused Assistant Regional Security Officer Vincent Cooper of asking him to "spy" on Cubans and Venezuelans in Bolivia last week (Reftels a and b). Though not directly associated with recent charges the U.S. is behind Bolivian police "spying" on politicians and reporters, this mischaracterization of our Bolivian guard force feeds into the Morales administration's allegations of undue U.S. influence on Bolivian police units.

Evo on FTA, Drugs, and Cooper "Expulsion"

¶4. (C) Morales rejected a free trade agreement with the U.S. as a return to the days of former-president Gonzalo Sanchez de Lozada, when Morales alleges the government made deals with U.S. businesses at the expense of Bolivians. Morales characterized the Embassy's decision that ARSO Vincent Cooper would not return to Bolivia as the "expulsion" of a "man who conducted North American espionage." Morales repeated his opinion that the war on drugs has been a failure because it targeted coca leaf instead of cocaine. He alleged the DEA, U.S. military, and Bolivian national police headed Bolivian anti-narcotics efforts "from a U.S. military base" in Cochabamba Department when there were "demonstrations and disappearances," implying U.S. involvement. (Note: The U.S. supports Bolivian anti-narcotics efforts at the Chimore Airport and has offices there, but there are no U.S. military bases per se in Bolivia. Despite Morales' intermittent calls to dismantle such non-existent bases, this issue is a misunderstanding or a straw man. End Note.)

Call to Arms Disconnected

¶5. (U) While railing against "oligarchic groups," and particularly efforts to convoke an autonomy referendum in the opposition-led Department (state) of Santa Cruz, Morales claimed pro-government groups would defend his administration "with arms." Morales said February 14 that sympathizers in Santa Cruz had told him they would take up arms to ensure the opposition showed Morales the proper "respect." However, leaders from MAS-aligned social and union groups rejected any attempt to resort to arms February 16, calling instead for an electoral solution to settle Bolivian differences.

Spin Doctor Rada's Dizzying "Spy" Accusations

¶6. (U) On February 15, the Ambassador met with Government Minister Alfredo Rada to discuss the USG's support to the Police's Special Operations Command (COPES) police unit, a unit that Rada has stated was likely behind a growing domestic surveillance scandal. Following their meeting, the

Ambassador issued a public statement which re-iterated that the USG was never involved in domestic spying and explained that USG would no longer fund COPES because the unit had been disbanded on January 29.

¶7. (U) In an interview with the La Paz newspaper La Prensa following the February 15 meeting Rada continued to insinuate)- as he has done publicly on various occasions -- that COPES was responsible for internal surveillance against political officials and journalists. Rada once again called COPES a parallel intelligence organization that conducted "political intelligence," argued it reported directly to the USG and not to the National Intelligence Directorate (DNI), and that it exceeded the scope of its mandate. Rada explained that since September 11, 2001 the U.S. government had directed COPES to gather intelligence on terrorist organizations which violated COPES' mission to conduct surveillance only on narco-trafficking organizations. Rada stated, that "terrorism is a fundamentally political phenomenon . . . therefore COPES . . . conducted political intelligence . . . All of this a function of the State Department's priorities." (Note: According to the COPES' memorandum of understanding between the Bolivian and U.S. governments, conducting surveillance on both illegal narcotics and terrorist targets is part of its mission. End Note.)

¶8. (U) Throughout the interview Minister Rada engaged in double speak, at times strongly insinuating the USG was behind the domestic spying scandal, at other times acknowledging there was little information tying the USG to the case. "It would be irresponsible to affirm they (the Embassy) were behind these (domestic spying) operations," Rada stated. He followed with, "The fact that intelligence personnel from the Embassy received reports from ODEP (COPES' official name since 2001) makes us believe that they were aware of these things (domestic spying). Despite earlier statements in the interview that COPES responded to the USG, Rada closed the interview with the statement, "That ODEP-COPES followed direct orders from the Embassy, we cannot yet demonstrate, but we are investigating. But there was a direct economic link, and it has been demonstrated that they worked on priorities designed by Washington." Rada also tried to link Fulbrighter Van Schaick case to the domestic spy scandal. Arguing his Van Schaick's sworn statement is the first piece of concrete evidence that links the USG to espionage within Bolivia.

Eyes Wide Shut on MILGP Assistance

¶9. (C) The Bolivian press reported February 19 that the Bolivian government had frozen military humanitarian assistance, by not renewing our humanitarian assistance diplomatic note (which acts as a SOFA, or status of forces agreement, for U.S. military personnel in Bolivia). The article stressed that non-military aid (USD) 600,000 to flood victims is not affected. However, it highlighted that our MILGRP has provided humanitarian assistance (include medical, dental and eye treatment) since 1996 and has already prevented aid from arriving for flooding victims. Foreign Minister David Choquehuanca responded that the government had not canceled any agreement, but was simply reviewing it. Choquehuanca stated, "We now do not sign agreements with the United States with our eyes closed, like what happened in the past, especially with anti-drug assistance." (Note: The humanitarian assistance agreement has nothing to do with our counter-narcotics aid. A Bolivian diplomatic note suspended renewal of the assistance agreement January 29, citing the need for a dialogue to bridge a "gap of understanding." ((Reftel C)) End Note).

Comment

¶10. (C) Although charges that USAID is undermining the Bolivian government are nothing new (Minister of the Presidency Juan Quintana originally laid out the charges in

August and officials have drummed them up periodically since), Morales' call for Bolivians to help the government "identify these NGOs" ostensibly working to undermine his administration is a troubling development. Using Morales' example of the Potosi group that was "denied" \$20,000, any person or organization that asks for USAID funding and does not receive it could allege a political motive. We will continue to counter misunderstandings about USAID's transparency and apolitical nature with reality. However, the Bolivian government is unlikely to back off from its USAID assault any time soon, as it enjoys the propaganda value of creating an external enemy to distract from domestic problems. Likewise, although government officials have privately admitted to us they do not believe the U.S. was involved in the police "spying" scandal, they are not disengaging from insinuations of U.S. involvement. Rada's accusations are designed not to lead to a formal process that would prove or disprove them, but rather to create the appearance of U.S. impropriety to distract the Bolivian public from very real and potentially damaging charges against him. As such, they are a success. The incongruity of the government accusing us of being in cahoots with the opposition and, at the same time, spying on them seems largely overlooked in the public discourse. Unfortunately, the Bolivian press does not consistently apply critical analysis to these incoherent, vague, and sometimes contradictory charges before distributing them to the Bolivian and international public.

¶11. (C) Comment Continued. Although they may not always believe in the merits of some of their specific accusations, government leaders from Evo down appear to genuinely believe the Embassy is working to undermine the Morales administration. Given his proclivity to view the Embassy as separate from the U.S. government and people, we expect Morales to bring the GOB's vague litany of accusations against the Embassy to both the visiting Congressional delegation and to the U.S. public during his planned February 25-27 speaking tour in the U.S. End Comment.

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